

COMMISSIONERS' EMERGENCY ORDINANCE NO. O-29-22

AN EMERGENCY ORDINANCE ENACTING A NEW CHAPTER OF THE COVINGTON CODE OF ORDINANCES IMPOSING A TEMPORARY MORATORIUM ON THE CITY'S ACCEPTANCE, REVIEW AND PROCESSING OF NEW LICENSE APPLICATIONS FOR SHORT-TERM RENTAL DWELLINGS IN COVINGTON, KENTUCKY PENDING THE ADOPTION OF REVISED REGULATIONS.

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WHEREAS, the Board of Commissioners has adopted Ordinance Sections 124.25 through 124.99 to define, categorize, and regulate short-term rental dwelling licenses; and

WHEREAS, those ordinances were adopted pursuant to the City's police power to preserve the City's permanent housing stock, balance the economic opportunity created by short-term rentals with the need to maintain a supply of long-term rental housing stock available at a range of prices, reduce any indirect negative effects on the availability of affordable housing that results from the dedication of long-term housing stock to short-term rental use, create a level playing field for all parties engaged in the business of providing lodging, ensure the sufficient collection of tax revenue, mitigate the disruptive effects that unmonitored short-term rentals can have on neighborhoods, and protect the livability and quality of life of the City's residential neighborhood; and

WHEREAS, in recent years, the advent and increasing popularity of individuals and companies purchasing, advertising, and renting out of residential properties as short-term lodging has resulted in a reduction in affordable housing stock being utilized as short-term vacation rentals; and

WHEREAS, the conversion of residential properties to short-term vacation rental units has a variety of negative effects on the neighborhoods in which such units are located, as well as on the community as a whole, including without limitation, issues with increased noise at all hours, parking and traffic problems, life and safety issues related to noncompliance with the building code, and trash not being kept or disposed of properly; and

WHEREAS, investigation of online postings advertising properties available as short-term rentals in Covington, Kentucky demonstrates that, at times, hundreds of properties within the boundaries of the City are illegally operating as short-term rentals by violating the City's existing licensing and permit requirements; and

WHEREAS, the high volume of illegal short-term rental housing establishes the ineffectiveness of the City's current short-term rental regulatory strategy to the detriment of the health and safety of the City's residents; and

WHEREAS, the Board of Commissioners has concerns that an increase in short-term rentals has detrimental effects on the residential character of neighborhoods and

the community's housing stock and provides unique challenges to the permanent residents of those neighborhoods; and

WHEREAS, the Board of Commissioners hereby finds that the detrimental effects on the residential character of neighborhoods and the community's housing stock have created an emergency; and

WHEREAS, the Board of Commissioners finds further that the enactment of an emergency ordinance is made prudent and necessary so as to give local government the flexibility needed to take action to mitigate the detrimental effects of excessive short-term rentals on the residential character of neighborhoods and the community's housing stock; and

WHEREAS, the Board of Commissioners will now direct the City Manager to further study the impacts of short-term rentals, utilizing the City's existing regulations and short-term rental data, to determine if amendments to existing laws are warranted or necessary, and if existing regulations should be modified to reduce any unintended secondary effects of short-term rentals relative to the residential fabric of the City; and

WHEREAS, in light of this pending study and review, the Board of Commissioners would like to create a period wherein no new license applications for short-term rental dwellings in the City will be accepted or processed during the pendency of the review and adoption of revised short-term rental dwelling license regulations; and

WHEREAS, during the pendency of such review and adoption of revised short-term rental dwelling regulations, the Board of Commissioners desires to preserve the status quo by preventing changes to the existing land uses; and

WHEREAS, it is anticipated that the review and adoption of revised short-term rental regulations will take no more than six (6) months.

NOW, THEREFORE,

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF COVINGTON, KENTON COUNTY, KENTUCKY AS FOLLOWS:

Section 1

A new subchapter Sections § 124.21 through 124.24, which reads as follows, is hereby added to and amend the Covington Code of Ordinances:

EMERGENCY TEMPORARY MORATORIUM ON NEW APPLICATIONS AND ISSUANCE OF LICENSES FOR SHORT-TERM RENTAL DWELLING LICENSES

§ 124.21 MORATORIUM

The recent increase in short-term rentals in the City of Covington has had detrimental effects on the residential character of neighborhoods and the community's affordable housing stock, thereby creating an emergency. The City of Covington, Kentucky hereby

temporarily prohibits the issuance of new licenses for short-term rental dwellings and prohibits the acceptance, review and processing by the City Manager of the City of Covington, or the City Manager's designee, of any license applications for short-term rental dwellings within the city limits of the City of Covington pending further study, enactment, and effect of new or amended short-term rental ordinances. This Emergency Ordinance shall not prohibit the renewal of short-term rental dwelling licenses that were issued by the City of Covington prior to the effective date of this Emergency Ordinance. Furthermore, this Emergency Ordinance shall not prohibit the issuance of short-term rental dwelling licenses if the applicant has obtained a Conditional Use Permit for short-term rental dwellings prior to the effective date of this Emergency Ordinance.

§124.22 TERM;RENEWAL

For the reasons set forth above, an emergency is hereby declared to exist and the provisions of this emergency ordinance shall become effective immediately upon its adoption by a vote of 2/3 or more of the legislative body. This Emergency Ordinance shall terminate and be of no further effect six (6) months from the effective date of this Ordinance unless the City of Covington Board of Commissioners extends the moratorium or terminates the moratorium. If an extension or termination is approved, the City of Covington will publish notice of its adoption.

§124.23 VALIDITY AND SEVERABILITY

Should any portion of this Emergency Ordinance be found invalid for any reason, such holding shall not be construed as affecting the validity of the remaining portions of this Emergency Ordinance.

§124.24 REPEAL


All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 2

This emergency and moratorium shall be effective until expiration on the earlier of six months from the effective date of this Emergency Ordinance unless the City of Covington Board of Commissioners extends the emergency and moratorium or terminates the emergency and moratorium. If an extension or termination is approved, the City of Covington will publish notice of its adoption.

Section 3

This Emergency Ordinance shall take effect immediately upon its passage and approval as required by law.


MAYOR

ATTEST:

A handwritten signature in blue ink, appearing to read "Susan Clark", is written over a horizontal line.

CITY CLERK

Passed: December 20, 2022 (First and Only Required Reading)